

Memo

To: Karen Sarjeant

Victor Fortuno

From: Linda Perle and Alan Houseman

Date: 5/14/2008

Re: OSLSA Finding on PAI

We are writing this memo on behalf of Ohio State Legal Services Association (OSLSA). OSLSA is questioning the conclusions reached by the LSC Office of Compliance and Enforcement (OCE) and the Office of Legal Affairs (OLA) with regard to whether OSLSA is permitted to count certain costs associated with its pro bono clinics toward its PAI allocation, and we urge you to reconsider these conclusions.

Background

In order to set the context for this memo, it should be noted that OSLSA operates in a rural area of Ohio where there are few private attorneys and where it has been difficult to establish successful PAI programs in the past. In recent years, in coordination with local bar associations, judges, religious organizations, and other local entities such as local departments of job and family services, OSLSA has been able to help organize a number of pro bono clinics (including many “interfaith clinics”) where private attorneys provide limited services to residents of these rural areas on a pro bono basis.

OSLSA’s participation in these clinic activities is not intended to be viewed as “the direct delivery of legal assistance to eligible clients...” under 45 CFR 1614.3(a), which is only one aspect of PAI activity.¹ Rather, OSLSA’s participation is limited to the kind of support activities intended to be provided under 45 CFR 1614.3(b)(2) which states that “[a]ctivities undertaken by recipients to meet the requirements of this part may also include, but are not limited to ...[s]upport provided by

¹ OLA External Opinion #EX-2008-1001 presumes that OSLSA’s support activities are the direct delivery of legal assistance to eligible clients under §1614.3(a), ignoring the fact that Part 1614 clearly recognizes that support activities under §1614.3(b)(2) are a separate category of PAI activities that may also be allocated to fulfill a program’s PAI requirement.

the recipient in furtherance of activities undertaken pursuant to this Section including the provision of training, technical assistance, research, advice and counsel, or the use of recipient facilities, libraries, computer assisted legal research systems or other resources....”

OSLSA provides a variety of support services to the clinics such as training the private attorneys, providing reference materials and pro se packets, answering questions from private attorneys about poverty law, providing laptops with frequently utilized court forms, and providing access to legal research as needed. These support services are generally not related to legal assistance to specific eligible clients. They are, however, clearly the kind of support services that are anticipated to be provided under 45 CFR 1614.3(b)(2). OSLSA’s support for the clinics is very limited in scope and remains “behind the scenes” so that the sponsorship and “ownership” of the clinics rests firmly in the hands of the local bar and the interfaith community that recruits the lawyers who agree to participate as members of the local legal communities or as congregants of the local churches that sponsor the interfaith clinics.

These pro bono clinics meet the mandate of 45 C.F.R. 1614.2 that PAI funds be “expended in economic and efficient manner.” They also represent precisely the kind of effective, strategic, and innovative effort to engage the private bar in the delivery of legal services to members of the low-income community that President Barnett encouraged LSC recipients to undertake in her December 20, 2007 Program Letter (07-2). That letter specifically encouraged programs “to undertake renewed, thoughtful and strategic efforts to leverage private attorney resources in order to address more of the civil legal needs of low-income persons and communities.” These pro bono clinics have succeeded in engaging private attorneys to provide legal assistance in an area of the state where, in the past, that has been very difficult to do using conventional PAI techniques. Even when OSLSA has tried to contract directly with private attorneys to take cases at a reduced rate, few responded and those that did only agreed to handle domestic relations cases. In contrast, the clinics have resulted in numerous private attorneys providing advice and brief service in a wide range of legal areas.

Because OSLSA’s role has been limited to the kind of support anticipated in §1614.3(b)(2) of the LSC regulations, the local bars and religious entities that sponsor the clinics have had much more success in recruiting their members to participate than would be true if OSLSA had tried to do that directly and if OSLSA ran the clinics. In part because its participation in the clinics is so limited, and in part because of the issues discussed below, OSLSA has not claimed the clinic cases as PAI cases for CSR purposes and seeks only to continue to have the time spent in its support efforts count toward its 12.5% PAI allocation.

OLA Opinion

OCE has ordered OSLSA to stop allocating the staff time that the program devotes to supporting the pro bono clinics to PAI unless the clinics do eligibility screening of the clients who are assisted by the private attorneys through the clinics and the program “counts” the cases handled by the private attorneys as OSLSA cases. OSLSA objected to the imposition of these requirements and sought an opinion from OLA on whether they were appropriate. OLA recently

responded to OSLSA's inquiry with an External Opinion (EX-2008-1001) that concluded that "in order for OSLSA to allocate toward its Part 1614 requirement the resources it provides to the clinics, the persons served by the clinics must be screened for eligibility, determined to be eligible and considered clients of OSLSA."

The OLA opinion focused its analysis on the requirements of 45 CFR §1614.3(a) which says that "[a]ctivities undertaken by the recipient must include the direct delivery of legal assistance to eligible clients...." The opinion does not even mention §1614.3(b)(2) which is the section on which OSLSA relies. That section does not specifically mention eligible clients but does describe the kinds of support activities that OSLSA provides to the clinics. If §1612.3(b)(2) is not designed to encompass these kinds of support activities, it is unclear why the provision is in the rule at all and what kinds of activities it was meant to include.

Requiring Clinic Participants to Be Treated as OSLSA Clients

Even assuming the clinics were willing and able to screen for financial and alien eligibility and priorities,² OCE and OLA have also taken the position that OSLSA cannot count its support for the clinics as part of its PAI allocation unless the clients whose cases are handled by private attorneys as part of the pro bono clinics are considered to be OSLSA's clients, claiming that it "has been the longstanding interpretation and practice of LSC that cases referred to private attorneys pursuant to a recipient's PAI program remain cases of the recipient and the clients in those cases remain clients of the recipient." The opinion does not cite any regulatory provisions to support this proposition. In fact, the only support given by either OLA or OCE is a footnote in the OLA opinion that references the preamble to the 2005 revision of Part 1611. However, this preamble discussion deals only with the question of whether retainer agreements are required in PAI cases where clients are referred by LSC recipients to private attorneys. It is not relevant to the question at issue and does not address the situation of clinic clients whose only relationship is with the private pro bono attorneys who serve them.

These individuals were never clients of OSLSA, and for those who may have originally sought help from OSLSA, the program has no continuing relationship with them after referral to the clinic. For those who sought assistance directly from the clinics or were referred there by the courts or other entities, OSLSA has had no direct contact with them at all. OSLSA's role is limited to helping the bar associations and religious organizations that sponsor the clinics to organize them, to providing technical support, training and materials, and to answering questions from the private attorneys regarding poverty law issues that may arise during the clinics. This support is generally not related to the specific clients who are helped by the private attorneys who volunteer their time to the clinics.

² While OSLSA has decided not to contest the issue of screening for eligibility at this time, I note that numerous other programs have contacted CLASP in response to the OLA opinion to indicate that they also provide support to a variety of pro bono clinics that do not screen those who seek help from the clinics for eligibility and do not count the clinic clients as their own. They have indicated that this opinion will have a major impact on their ability to fulfill their PAI obligations and to continue their support for these clinics.

OSLSA considers the issue of whether clinic clients are OSLSA clients to be crucial to the continued success of the pro bono clinic effort, primarily because of conflicts issues that arise whenever an individual enters into an attorney-client relationship with OSLSA. As was noted above, the areas served by these clinics are very rural, with a limited number of private attorneys who practice there, and no legal services providers other than OSLSA. In some instances, there are so few private attorneys practicing in the local areas served by the clinics that the attorneys who volunteer as part of the clinics constitute the great majority of the private attorneys who practice there. If the clinic clients are considered to be OSLSA clients, conflicts of interest would be created that would severely limit the availability of legal assistance to the low-income community in the areas served by the clinics.

Although the clinic attorneys provide assistance on a wide variety of subjects, the biggest demand for legal assistance in the areas served by the clinics is for help with domestic problems. Most often both parties in a domestic dispute are poor and unable to afford legal counsel. Every time OSLSA assists one poor parent in a domestic case, a potential conflict is created that bars the program from advising or representing the other poor parent on a range of legal problems, including, but not limited to that particular domestic issue.

As the clinics presently work, each side in a domestic case can get some free legal assistance from either OSLSA or the local clinic. If LSC were to require the clinics to be structured so that clinic participants had to be considered to be OSLSA clients, there would be only one source of free legal assistance, because the conflict rules would prevent OSLSA from providing legal assistance to an individual where the opposing party has been helped by the clinic and vice versa.

Perhaps a couple of examples would be instructive. If all of the clinic participants had to be considered OSLSA clients, OSLSA would be precluded from later representing any person with interests adverse to a clinic client. Thus, if a man goes to the clinic and gets advice from a private attorney about a divorce, custody, visitation, or support issue and his wife or girlfriend subsequently seeks assistance from OSLSA alleging domestic violence, OSLSA would be prevented from helping her if her husband or boyfriend were considered an OSLSA client because he had received assistance from the clinic. Similarly, if one party to a dispute over the sale of a used vehicle went to a clinic for advice on his rights regarding the transaction and the other party tried to get help from OSLSA, he or she would be turned away because there was a conflict of interest.

On the other side of the issue is the situation where OSLSA cannot accept a case in the first instance because of an existing conflict of interest. In that situation a referral to the clinic is usually the only alternative that the program or the local community can offer to that person. Thus, if OSLSA is representing a woman in a custody case and her ex-husband comes to the program seeking advice as to what his rights are in the custody matter, referral to the clinic is all that OSLSA or the local judiciary can now offer. If that avenue is barred because it would be

considered to be a conflict of interest when all clinic clients are considered OLSLA clients, then in most areas served by the clinics there are no other alternative private attorneys or other providers of legal assistance to whom he can be referred.

Section 1614.3(c) makes it clear that “[t]he specific methods to be undertaken by a recipient to involve private attorneys in the provision of legal assistance to eligible clients will be determined by the recipient’s taking into account the following factors:...(3) The actual or potential conflicts of interest between specific participating attorneys and individual eligible clients....”

Conclusion

By requiring OLSLA to consider clinic clients to be program clients, LSC would be acting to limit the legal assistance available to low-income individuals in the areas served by the clinics. This is counter-productive to, and inconsistent with, the goals of the PAI rule as well as Program Letter 07-02 which was intended to enhance private attorney involvement and to increase the number of low-income people helped by the private bar. It was certainly not intended to simply increase the number of OLSLA clients, and LSC has provided no compelling reason why these individuals should be required to be treated as program clients.

Over the years since the PAI rule has been in effect, OLSLA and many other rural civil legal aid programs have struggled hard to develop effective PAI programs, often without much success. Once OLSLA realized that the key to a successful PAI program in its service area was to give “ownership” of the program to the local bar and to other local institutions, including faith based organizations, with much closer relationships to the private attorneys in their areas, private attorneys have been much more willing to participate in the effort and to provide pro bono services.

However, if LSC were to require that all of the clients served by both OLSLA and the clinics be considered to be OLSLA clients, much of the progress of the last several years would be undermined. Conflicts of interest rules would severely limit the ability of OLSLA to serve individuals where an adverse party had been served by one of the clinics and vice versa. The sense of ownership of these clinics by the bar and faith-based community that has contributed so greatly to their success would be significantly reduced. Rather than narrowing the justice gap by leveraging the resources of the private bar to handle additional clients, this requirement would have the effect of excluding many individuals who are now able to receive assistance from either OLSLA or the clinics.

LSC should be flexible in interpreting Part 1614 and should permit programs to use their creativity and imagination in order to achieve the goals of the PAI program to expand the availability of legal assistance through the involvement of private attorneys.

We urge LSC to reconsider this issue and to permit OLSLA to count the costs associated with its support for the pro bono clinics for purposes of its PAI allocation. We would like to have an opportunity to discuss this issue with both of you. Please contact Linda to set up a time for a meeting. She can be reached at 202-906-8002 or at lperle@clasp.org.